

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Administrative Office	(2) MEETING DATE 12/17/2013	(3) CONTACT/PHONE Emily Jackson 781-5011	
(4) SUBJECT Submittal of a resolution accepting the exchange of property tax revenue and annual tax increment for Annexation No. 89 to the City of Paso Robles (Ernst). District 1.			
(5) RECOMMENDED ACTION It is recommended that the Board approve the resolution accepting the exchange of property tax revenue and annual tax increment for Annexation No. 89 to the City of Paso Robles (Ernst).			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT { x } Consent    { } Presentation                      { } Hearing (Time Est. ____ ) { } Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS { x } Resolutions    { } Contracts    { } Ordinances    { } N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)  N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A { } 4/5 Vote Required            { x } N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY { x } N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Guy Savage			
(18) SUPERVISOR DISTRICT(S) District 1 -			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Emily Jackson, Administrative Analyst

DATE: 12/17/2013

SUBJECT: Submittal of a resolution accepting the exchange of property tax revenue and annual tax increment for Annexation No. 89 to the City of Paso Robles (Ernst). District 1.

## **RECOMMENDATION**

It is recommended that the Board approve the resolution accepting the exchange of property tax revenue and annual tax increment for Annexation No. 89 to the City of Paso Robles (Ernst).

## **DISCUSSION**

This request relates to the annexation of 1.49 acres of property zoned residential rural to the City of Paso Robles. The property is located in the City of Paso Robles at 490 Pacific Avenue. The city limit of Paso Robles runs directly through the property. The purpose of this annexation is to bring the full property into the city limits. The current property owner concurs with the annexation.

Jurisdictional changes such as this can change service area responsibilities and/or impact operating expenses and revenues. The law requires affected jurisdictions (in this case, the County and the City of Paso Robles) to negotiate an exchange of property tax revenue prior to the Local Agency Formation Commission's (LAFCO) approval of the proposed change. This resolution is being presented for the adoption within the 60-day time frame which commenced on November 5, 2013. The County Administrative Office and the City of Paso Robles negotiated on behalf of their respective agencies.

The negotiated agreement before the Board today is consistent with the County's standard tax exchange agreement as established by resolution 93-158 on April 23, 1996. The standard agreement was developed based on an extensive study of the impacts that development within the boundaries of cities has on the County. The agreement is based on the following two principles: (1) that the County should not profit from annexations, nor should annexations result in a net fiscal loss to the County; and (2) that tax exchange practices should not undermine good land use planning by discouraging cities from pursuing logical and appropriate annexations.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

LAFCO has the authority to oversee the annexation of property. The property is proposed to be annexed into the City of Paso Robles; therefore, as one of the affected agencies, the City of Paso Robles has participated in the tax exchange negotiations. The City of Paso Robles approved the negotiated exchange of property tax revenue at its December 3, 2013 meeting. The Auditor's office provided the financial analysis.

## **FINANCIAL CONSIDERATIONS**

Per the standard tax exchange agreement established by Resolution 96-158 on April 23, 1996, the County will continue to receive all base property taxes and two-thirds of all future property tax increment. This financial agreement is contingent upon approval of the annexation by LAFCO.

## **RESULTS**

The fair and equitable exchange of property tax revenue as a result of annexations of property.

## **ATTACHMENTS**

1. Map of proposed annexation area
2. Resolution accepting exchange of property tax revenue

c- Jim App, City of Paso Robles  
Barbara Godwin, Auditor-Controller's Office  
David Church, LAFCO